RE. INQUIRY INTO FAIRFAX AFFAIR

SHRI PARVATHANENI UPENDRA (Andhra Pradesh): Thank you very much Mr. Chairman, for permitting me to raise another issue. When the Fairfax issue was discussed in this House and when the Government announced constitution of a Judicial Commission to enquire into this matter and announced the terms of reference, we on this side pointed out that the terms of reference of the Commission do not cover the main issue of siphoning of funds abroad and holding of illegal funds abroad by the Indians. At that time, we also demanded that the terms of reference must be altered to cover this important aspect also.

Yesterday 'Business Standard' carried a very exhaustive interview by the erstwhile Finance and Defence Minister, Mr. Vishwanath Pratap Singh on this subject. It is not because Mr. V. P. Singh has said this that the subject has become important. He was involved in ordering the Fairfax Inquiry and that is why what he said is more relevant. Therefore, you may kindly permit me to quote what he said.

Mr. V. P. Singh has said that the Thakkar Commission should go into the real issue of illegal funds held abroad by Indians in addition to its present brief of holding an enquiry into the Fairfax affairs Mr. Singh made the above observation when asked whether he was consulted while framing the terms of reference for the Judicial Commission, whether he was happy with it and whether it was not true that the real issue of the illegal funds held by Indians abroad had been forgotten.

While Mr. Singh did not want to divulge what discussions went on, he felt there was a dire need to look into this pertinent question of FERA violations under and over-invoicing and money going abroad. "We should not lose sight of the purpose, the core issue of economic offences of FERA violations, capital flight and how to arrest this." The former Finance Minister said he would be happy if this is also added as part of the reference to the Thakkar Commission because then the purpose and the procedure will both come into focus.

There is one more sentence, Sir, "Can the terms of reference be expanded now?" Mr. Singh was of the view that it could be done as was done in the case of Fourth Pay Commission to cover the defence forces.

MR. CHAIRMAN : The Finance Minister will take note of this and reply to this.

SHRI PARVATHANENI UPENDRA : Sir, I also gave notice of a motion. I said that this should be discussed in the House to cover this aspect also. I want the reaction of the Government.

MR. CHAIRMAN : That is what I said. He will reply to you on a suitable occasion, because there are a number of things coming up—the Appropriation Bill, the Finance Bill. All these things will come and the Minister will reply during that.

SHRI LAL K. ADVANI (Madhya Pradesh): Sir, you have permitted me also to associate myself with this.

MR. CHAIRMAN : I thought I permitted you on the other, not on this. All right.

SHRI LAL K. ADVANI : Thank you. Mr. Chairman, I think it would be quite in place to point out that in 1985 this Government gave us this report on black money. This demand that has been made is very valid. While pointing out how black money was generated through public expenditure, the Raja Chelliah Report, which I have in my hand, says on page 253—I would just like to quote one thing and I am done with it :

> "In the purchase of major civil or defence equipment from abroad, the vending company makes payments usually into accounts held overseas..."

Swiss Bank accounts generally—

> "...to keep participants or their agents in the decision to award the contract. These participants can include..."

this is what Raja Chelliah says—

"...both officials and Ministers. The amount of such payments is naturally built into the price of the equipment in question. Hence a part of the full price paid by the Government or public sector agency corresponds to black incomes paid to those who colluded in the award of the contract".

Therefore, Sir, it is all the more imperative that Shri V. P. Singh's suggestion that the terms of reference of the probe to be conducted by Justice Natarajan and Justice Thakkar should be expanded to cover this investigation also, should be accepted. Thank you, Sir.

SHRI DIPEN GHOSH (West Bengal): One submission, Sir.

MR. CHAIRMAN: No.

SHRI DIPEN GHOSH: Sir, you have advised the Minister of Finance to take note of it.

MR. CHAIRMAN: Yes.

SHRI DIPEN GHOSH: But you have not said that he should express his reaction. At the same time we have submitted a notice for a motion for amplification, modification and expansion of the terms of reference, and on that you are to react.

MR. CHAIRMAN: You can also.... (*Interruptions*)

SHRI DIPEN GHOSH: If that motion is admitted for discussion...

MR. CHAIRMAN: Mr. Dipen Ghosh, you know the rules. On any matter which is likely to be discussed in a substantive manner in any of the later proceedings, mere motion are not allowed. So I am not going to allow this. You can raise it, as I said, during the Finance debate.

SHRI V. GOPALSAMY (Tamil Nadu): I also associate myself with this.

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): What prevented Mr. V. P. Singh to order at the time of Fairfax a probe into it?

MR. CHAIRMAN: All right, the Finance Minister will take note of it.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF FOOD AND CIVIL SUPPLIES (SHRI H. K. L. BHAGAT): Sir, by this procedure one-sided version goes on record and it goes out. I would like to submit that the Prime Miniser himself on record has made it clear in the House as well as in the other House that any Commission agent found guilty of violating any laws will be taken to task. Wait a minute please. He has made it very clear.

Secondly, with regard to Fairfax also, what information was received by Fairfax and so, on, the Commission will go into that.

Thirdly, I do not want to cast any reflection on our former colleague, Shri Vishwanath Pratap Singh, I respect him still and I continue to respect him, but the fact of the matter is then he was a party to the decision to which he was a party. And he could have taken this decision himself. This is just a roving allegation. Even now the Opposition is playing their usual game of floating balloons without any specific.... (*Interruptions*)

SHRI PARVATHANENI UPENDRA: What is this allegation?

SHRI H. K. L. BHAGAT: Motivated, artificial balloons which they are trying to pick up.

SHRI PARVATHANENI UPENDRA: Sir, it has become a habit with them to level accusations. He should withdraw that word. What is the "game"? What do you mean by "game"? Is it a game? What is the game? You tell us what the game is? Use words properly... (*Interruptions*).... You expunge it Sir... ..(*Interruptions*)....

MR. CHAIRMAN: I will not expunge anything which is not unparliamentary... (*Interruptions*).... Don't record anything. ....(*Interruptions*).... Now, please sit down, all of you. Nothing which you say goes on record: why do you

[Mr. Chairman]

strain your lungs? ....(*Interruptions*)... Nothing will go on record. When I am standing how can anybody else speak? Therefore, I cannot have anything recorded. Now, you cannot object to a word unless it is unparliamentary. You say he is corrupt, he says you are playing a game. Now, how do I come in?

SHRI V. GOPALSAMY : It is a skeleton coming from their cupboard, Sir.

MR. CHAIRMAN : You said what you wanted to say, he said what he wanted to say.

SHRI JAGESH DESAI (Maharashtra): Please allow me to make a suggestion, Sir. What Mr. Advani has said just now...

MR. CHAIRMAN : It is a general finding of the committee.

SHRI JAGESH DESAI : There he has alleged that money has been paid by the Minister. It is not a finding. It is a surmise or just what they think. There is no finding at all. If these words are noted, it is unfair.

MR. CHAIRMAN: Mr. Jagesh Desai, a number of committees and commissions are appointed, they make general statements. It doesn't mean that it applies to any particular case. In this case he has made a general statement that this kind of a thing happens. Now you have to further establish that this kind of a statement applies to the particular case. So long as it is not done, nothing is there.

SHRI V. GOPALSAMY : The Government is very nervous and touchy whenever we refer to Mr. V. P. Singh.

MR. CHAIRMAN: If you are a doctor, you come and cure.

SHRI NIRMAL CHATTERJEE: Sir, there was an issue referred to you in the morning.

MR. CHAIRMAN: You don't allow me to function. What am I to do?

SHRI NIRMAL CHATTERJEE (West Bangal): May I raise it? This morning there was a clarification which states that in the particular inquiry ordered by the Defence Minister into the so-called submarine deal, only the *modus operandi* would be looked into and not the specificity of the case. On the specificity of the case, the Defence Minister has requested the Finance Ministry to institute a case. We have been assured that inquiries are on. The clarification that is necessary is whether inquiry into the specificity of the case by the Finance Ministry also is on and whether such results would also be coming before Parliament.

MR. CHAIRMAN: The discussion on the Defence Ministry is coming on Wednesday, Mr. Nirmal Chatterjee will be perfectly within his right to raise it at that time. Now Special Mentions, Mr. L. K. Advani.

SHRI V. GOPALSAMY: Today the Zero Hour has been restored. We are very happy that it has been restored.

MR. CHAIRMAN: No, no Zero Hour. Every one of you took permission from me. Without permission, no point can be raised.

REFERENCE TO THE REPORTED ARREST OF TWO JOURNALISTS IN SAHARANPUR UNDER NATIONAL SECURITY ACT

श्री लाल कृष्ण आडवाणी (मध्य प्रदेश) : सभापति जी, पत्रकारों को राष्ट्रीय सुरक्षा अधिनियम में उत्तर प्रदेश के सहारनपुर जिले में गिरफ्तार किया गया है, यह जानकर बहुत अफसोस हुआ । मुझे स्मरण है, राष्ट्रीय सुरक्षा अधिनियम पर जब इस सदन में चर्चा हुई थी, तो रात भर हम लोग बैठे थे, उस वक्त विपक्ष की ओर से यह आशंका प्रकट की गई थी अनुमान किया गया था कि राष्ट्रीय सुरक्षा अधिनियम का प्रयोग विपक्ष के कार्यकर्ताओं के खिलाफ विपक्ष के नेताओं के खिलाफ और पत्रकारों